The demanding citizen:
Implications for democratic local government
in Norway

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Abstract 

Local government in Norway is a major provider of collective goods and services. In large part citizens have indicated a relatively high degree of satisfaction with how these goods and services have been provided and the arrangements by which they are based. Empirical evidence, however, suggests that many citizens want municipalities to do more, and these expectations constitute a new challenge – a challenge not only to local government, but every bit as importantly a challenge to local democracy itself. This paper presents evidence and highlights some of the implications that follow from these developments.
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Introduction
Just as is the case in many other countries, Norwegian municipalities have a dual character. On the one hand they are service organizations, providing or securing by other means a range of public goods for local residents. On the other hand they are local political arenas, organized according to a set of rules and procedures which are typically fashioned with the intent of achieving the democratic ideal of government for and by the people. The relationship between these two aspects of local government is rarely if ever clearly defined; it is not a fixed and static matter. The relationship is rather dynamic, subject to shifts in both components – both in the nature of public goods and service provided by local authorities, and in the expectations and behavior of residents as members of the local political community. The “balance” between the two components, if the relationship can be considered as such, may be altered substantially by changes in either sphere, and the result may have fundamental implications for the content of both components.

Drawing on the situation existing in Norway, this paper is intended to serve as an illustration of the dynamics suggested here. Emphasis is in particular placed on how citizens view local government – how they assess their own municipalities as service providers and political arenas, and how they perceive their own role as members of the local political community. The first section of the paper focuses on general orientations of residents toward local government and politics. In the second section the focus is shifted to citizen opinions about municipal services and how they are to be financed. Together these provide the basis for some concluding reflections about the situation characterizing local democracy in Norway today.

1 This paper draws on work published previously in Norwegian (Rose 2011).
Local government and politics in the minds of residents

Local political interest and competence

In representative democracy the ability of voters to hold their representatives accountable for decisions made on behalf of the public is commonly seen as a critical feature (see among others Beetham 2004; Przeworski et al. 1999; Weir & Beetham 1999). Political interest and a sense of personal political competence among voters is an important precondition in this connection. If individuals are to look after their own personal interests and express their preferences regarding collective decisions in a thoughtful fashion, they must have sufficient curiosity to follow along and obtain relevant information about what is transpiring in the political arena. They should know where decisions are made, how and by whom. Individuals should, moreover, feel that they can understand what is transpiring and possess a sense that they are capable of taking part when they deem it necessary. If these conditions are not met it can give rise to a sense of powerlessness and passivity, a situation in which not only the individual’s interests are at risk, but the foundation of the collective enterprise is also weakened. Good collective decisions presume the free flow of information and contributions from all those affected.²

Do voters in Norwegian municipalities satisfy these provisos? Results from various inquiries carried out in recent years suggest that residents, at least in their own opinion, do fulfill these expectations to a reasonably high degree. In the 2006 ISSP study, for example, Norwegian respondents expressed on average the third highest level of general political interest registered among all respondents from 16 countries for which comparisons are appropriate. Only in Denmark and Australia did respondents report a higher level of general political interest (see Figure 1).³

Figure 1 in about here

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² This is a normative perspective with roots that go back to antiquity. A clear statement of this perspective is found, for example, in Pericles’ often cited funeral oratory found in Thucydides’ History of the Peloponnesian War.

³ Other countries which took part in the survey not included in Figure 1 were Chile, Croatia, the Czech Republic, the Dominican Republic, Hungary, Israel, Japan, Latvia, Northern Ireland, the Philippines, Poland, Russia, Slovenia, South Africa, South Korea, Taiwan, Uruguay and Venezuela. For more information on the survey see http://www.gesis.org/en/services/data/survey-data/issp/.
Every bit as important, however, is the fact that interest in local politics is on a level almost equal to that of interest in national politics. To be sure, when asked in connection with the local election survey in 2011 the per cent who indicated that they were “very interested” in national politics was greater than that who answered in a similar manner with respect to local politics (see Figure 2). But the percentage indicating that they were completely uninterested was virtually identical for both (4 per cent) and the percentage answering that they were quite interested in local politics was slightly higher than was the case for national politics (57 versus 54 per cent. Moreover, as documented by findings reported elsewhere (Rose & Pettersen 2009), this pattern of findings has been remarkably stable in recent years. In so far as there is any tendency to change, it has been one suggesting an increase in interest in local government and politics rather than a decline.4

Figure 2 in about here

With respect to political interest, in short, it would appear as though Norwegian voters have a reasonably strong and, from a normative perspective, positive orientation toward local government and politics. At first glance much of the same can also be said with respect to voters’ sense of personal local political competence. When asked to indicate their opinion about a statement suggesting that “Local politics in this municipality are sometimes so complicated that a person like me can’t really understand what it is all about”, three out of four respondents disagreed with the statement in 2011.5 This was an increase in roughly 5 per cent who disagreed with the statement compared with from results to an identical question asked in 2007 and an even greater increase (roughly 25 per cent!) from results obtained in 2003 (see Figure 3). Disagreement with this statement may be taken as an affirmation of the fact that people feel they are able to follow along with and comprehend what is transpiring in local politics. What we observe, in other words, is a significant increase in the sense of personal local political competence expressed by Norwegian voters. This sense of personal

4 In may be noted that in findings reported by Rose and Pettersen (2009:237) based on analysis of materials from the 2007 local election study there was a tendency for interest in local politics to decline with increasing municipal size whereas the opposite was true for interest in national politics. As reported in a forthcoming cross-national comparative study, however, the negative bivariate relationship between size and local political interest is not statistically significant once controls for other relevant intervening variables are introduced. Only in one of the four countries studied (the Netherlands) was there a significant negative effect of size after controlling for other variables (see Denters et al. 2014:129-31).

5 The question was posed in a written, self-administered postal questionnaire mailed to persons who had initially answered a telephone interview following the local elections.
political competence, moreover, is greater with respect to local politics than is the case for national politics which has also increased in recent years, but not to the same extent.

Figure 3 in about here

Although perhaps uplifting when seen from a normative democratic perspective, the impression obtained from the results presented so far must be tempered a bit in light of responses voters give when asked to indicate how well informed they are personally with respect to local politics. In this case roughly 40 per cent reply that they are “well informed” or “very well informed”. This percentage is also higher (by 6 per cent) than was the case in 2007 which suggests a positive developmental tendency. Yet at the same time 17 per cent admit to being either “not at all informed” or only “a little informed”, while a major segment of voters (43 per cent) indicate that they are “somewhat informed – a response category that is not particularly precise and can cover a relatively wide range of conditions. This distribution of responses, in other words, suggests a slightly less rosy picture than that based on expressions of political interest. It does compare favorably when contrasted with a similar distribution regarding county politics, but it falls short when compared with responses regarding national politics (see Figure 4). In the latter case fully 60 per cent consider themselves to be well or very well informed while less than 10 per cent admit to being not at all or only little informed.

Figure 4 in about here

These results reflect a number of important considerations. For one thing county level politics have for many years tended to be a stepchild of Norwegian politics (see Rose & Hansen 2013). Counties receive relating little media coverage, and at least two parties have taken a position advocating the elimination of county government in its current form. Much of the media coverage tends rather to emphasize national politics, and even with a relatively rich flora of local newspapers, the media situation has been characterized by an explosive growth of alternative information channels competing for the voters’ attention. In this respect one can suggest that municipalities in Norway (and even more so counties) confront a significant challenge is formulating their information strategies: how is it possible to reach residents in the face of a situation characterized by information overload? This is not necessarily an unsurmountable problem. At least the positive developmental trends with respect to political
interest, self-reported political competence and possession of local political information noted above give grounds for some optimism on this count, but the challenge is there.

*Attitudes concerning local democracy*

Independent of how interested or competent residents may be with respect to local government and politics, however, another important question is how satisfied they are with the way in which local democracy functions in their own municipality. If people are not reasonably satisfied, and dissatisfaction runs deep, this can weaken the basis of local democracy and raise questions about the political system’s legitimacy. Yet when asked it turns out that a large majority of residents (fully 71 per cent) are in fact quite satisfied with how local democracy functions in the municipality where they live. And when those who are very satisfied are included, the segment of those having positive opinions of local democracy in their own municipality is over 85 per cent. Compared with results from three prior surveys carried out from 1999 to 2007, in which the distributions were quite stable (cf. Rose 2011:105), this is again a slight increase in the proportion with favorable opinions,

On the surface such a high level of satisfaction seems reassuring. Local democracy in Norway would appear to rest on a firm fundament. Responses to another question asked in connection with local election surveys carried out in 2003, 2007 and 2011 strengthen this impression. When confronted with a suggestion that “Norwegian democracy could function just as well without local self-government,” an overwhelming majority – roughly 90 per cent in 2011 – disagreed whereas only 10 percent agreed either in part or completely. Of course the content of both this (and the prior question) is such that it is quite natural to answer in a way which is positive to local democracy and how it functions, so it is worth digging a little deeper. When this is done, it quickly becomes apparent that peoples’ opinions about local democracy are a bit more equivocal. For example the proportion that disagree with a proposition that “local democracy is not so important so long as public services are maintained” were no more than 65 per cent in 2011 while over 25 per cent agreed with the statement. Even more divided were reactions to the proposition that “the public resources we use to maintain local democracy – for instance to hold elections and provide compensation to elected representatives for attending meetings – is well spent money.” In 2011 just under 60 per cent of those who were

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6 The question was a modified version of one that has been used in many international surveys – namely “In general would you say that you are very satisfied, quite satisfied, a little satisfied or not at all satisfied with the way in which local democracy functions in your municipality?”
interviewed agreed with this statement, whereas roughly 40 per cent disagreed (15 per cent disagreed strongly). What we see here is that there is relatively strong support for the value of local democracy as part of the Norwegian system of government, at least in principle. But when people are asked to reflect a bit more and express opinions about more concrete aspects of local democracy support is not quite as solid.

What can underlie and explain this discrepancy? At least part of the answer to this question can be found if one asks voters to evaluate municipal government from a perspective that encompasses more than just local democracy alone. How important is it, for example, for people to have access to channels of local democratic influence compared with access to good public services or a sense that public resources (including their own tax money) are being used in an effective and efficient manner? When people are asked about this, about half or more indicate that all of these considerations are important to them personally (see Table 1). By in large, in other words, people see several aspects of local government as being important (column labeled “Per cent very important”). By no means is this unreasonable or surprising; all three considerations are often used as indicators of good (democratic) government. But as can be seen from results found in the column labeled “per cent most important”, information about what local services are available to residents ranks first among voters (with 46 per cent). This is despite the fact that information about how the municipality uses the inhabitants’ tax money was considered as very important by 63 per cent, whereas the comparable percentage regarding information about what municipal services are available was less (55 per cent).

Table 1 in about here

The questions underlying Table 1 was specifically designed to interlink three different aspects of the roles individuals have as local residents and their relations to local government. The

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7 For each of these statements the distributions for 2011 pointed in the direction of somewhat greater support for local democracy than had been registered in previous surveys conducted in 2003 and 2007. Without drawing into question the reliability of the 2011 results, two factors can be mentioned which may account for this. One factor was a change in the survey organization responsible for conducting the field work and how data collection was carried out. The other, and presumably more important factor, was that fact that the 2011 elections came in the wake of the tragic events of 22 July 2011 (see https://en.wikipedia.org/wiki/2011_Norway_attacks) after which much of the subsequent discussion emphasized the importance of supporting democratic institutions and processes as a means of demonstrating public revulsion to the acts.

8 See, for example, Beetham 2004; Beetham et al. 2008; Campbell & Pölzlauer 2010; Kaufmann et al. 2008 along with efforts by the Council of Europe (2007) to set forth principles of and encourage good democratic governance.
first item (A) taps a user role or orientation whereas the second item (B) taps a (tax)payer role or orientation and the third item (C) taps a voter or political actor role and orientation. In so far as the items are interpreted as such, Table 1 makes it clear that a user or consumer role is most important for the largest segment of the population (46 per cent) while the role of voter or participant in local democracy is the least important (19 per cent) among the population. For the remaining roughly one-third of the population (36 percent) greatest emphasis is placed on their role as taxpayers.

This is a pattern that is also found in answers to two other sets of questions of a similar character. When answers to the follow up questions about what is most important for each individual are combined, it is possible to get an impression about what people emphasize in thinking about the different roles they have as citizens living in their local municipality – that is, their roles as voters, users of public services and payers of taxes and user fees to finance public service provision. Do they primarily emphasize and think about themselves as political actors in the local political arena, as consumers and users of different public goods and services for which the municipality is responsible, or as payers for various municipal activities? Or might the way in which people think of themselves and their relationship to the municipality in which they live perhaps be more differentiated and characterized by elements of all three roles?

With the help of a triangle such as those found in Figure 5 it is possible to gain some insight into this matter. The points of the triangles represent a situation in which respondents have indicated the item in each of the three sets of survey questions which reflect the same role orientation. The segment of respondents located at each point of the triangle, in other words, consistently prioritize their role as voters, consumers or taxpayers in each instance. The midpoint of the triangle, on the other hand, represents individuals who have chosen one item reflecting each of the three role orientations as being most important to them personally in responding to the three survey batteries. Finally, along each side of the triangle there are points representing different combination of choices involving two items of one role.

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9 The other two batteries are found in the methodological appendix to this paper. All three batteries were presented in a written self-administered postal questionnaire whereby respondents could reflect about the issues involved without feeling pressed to give a quick response.  
10 What combination of voter, consumer and taxpayer items an individual may have chosen in the three sets of questions is not critical here. The assumption is that the alternatives presented in all three batteries have a roughly of equal status as they are presented and considered in each case.
orientation and one item of another. The percentages shown next to each point sum to 100 and hence reflect the distribution of preferences among all respondents.

Figure 5 in about here

Figure 5 contains two such triangles, one displaying results from a survey conducted in 1996, the other with results from a survey carried out in 2008. The results are noteworthy for several reasons. For one thing the distributions for both years are quite similar. In both instances the largest segment of the population places foremost emphasis on their role as consumers in all three choices (the point at the lower left corner of each triangle). 17 per cent did so in 1996 whereas 23 per cent did so in 2008. By comparison, only 5 per cent in 1996 and 4 per cent in 2008 consistently chose the items indicating that their role as voters was most important for them personally (the upper corner of the triangle), and in both surveys 8 per cent chose the items indicating that their role as taxpayers was most important in all three cases (the lower right corner). In addition 12 and 10 per cent of the respondents in 1996 and 2008 respectively chose one item of each role orientation (the midpoint of the triangle), whereas the remaining respondents were distributed among points indicating combinations of priorities involving two preferences for one orientation and one preference for another.

Perhaps most remarkable is the strong consumer orientation that is evident in the results from both years, an orientation that is even stronger in 2008 than it was in 1996. This feature is even more apparent if in addition to those who indicate a consumer priority in all three instances we add in those who emphasize a consumer orientation in two of three choice situations. 26 per cent had such preferences in 1996 whereas 30 per cent expressed similar preferences in 2008. When combined with those who had “pure” consumer role preferences, in other words, the proportion of residents indicating one of the three preference combinations found around the lower left corner of each triangle is 43 per cent in 1996 and 53 per cent in 2008. This is a clear increase in an emphasis placed on a consumer orientation to local government. By comparison, about one-fourth of all respondents (28 per cent in 1996 and 25 per cent in 2008) emphasize a taxpayer orientation reflected by one of the three combinations found at around the lower right-hand corner of the triangle, and the comparable proportion indicating a voter or political actor orientation was around 15 per cent in both years.
How are these findings to be interpreted? Results presented above suggest that people are reasonably interested in local government and politics, but perhaps do not feel it incumbent upon them to be active participants in the local political arena – at least not so long as they are reasonably satisfied with the way in which local democracy functions in their municipality. This is a possibility that is supported by other research findings both in Norway and elsewhere (see among others Denters et al. 2007; van Deth 2007; Rose 2014; Rose & Pettersen 1995). Every bit as noteworthy is the lack of a greater emphasis being placed on the role individuals have as payers for public goods and services, either as taxpayers or through user fees. What does this suggest about residents’ interest in how public goods and services are to be financed? This is the question to which we can now turn.

**Municipal service provision and finance**

Satisfying the needs and expectations of residents for relevant public goods and services is in many respects a test of to be or not to be for local government and elected officials. In Norway the standing municipal government and local politicians have in the eyes of residents is to a significant degree conditioned by the satisfaction people have with the character of public goods and services provided by local government (cf. Rose & Pettersen 1999, 2000). In the following, however, it is not the public’s satisfaction with service delivery which of interest. At the present time public opinion indicates a generally high level of satisfaction.11 The focus is rather on the expectations residents have with respect to municipal activity and opinions about how these municipal activities are to be financed. The objective is to investigate if residents want their municipalities to do more or less than they do at present, and how people think their municipalities should cover increased expenses that might be involved. On this basis it should be possible to identify different types of “demanding citizens”. In analyzing the demanding citizen more closely it is useful to consider the concept of fiscal illusion.

*Demand and “fiscal illusion”*

“Demand” is a well-known concept within economic theory, and the associated literature is extensive. Roughly speaking one can say that economists believe that demand is contingent upon three central considerations: (1) individual preferences for a good or service – *taste*, (2) costs that consumption of a good or service imply – *price*, and (3) a utility function which

11 See Table 2 and the related discussion below.
says something about how much happiness or satisfaction an individual’s consumption of a
good or service entails – *pleasure*. In addition the availability of substitutes or other
supplemental goods and services as well as the individual’s personal income or resources
more generally are also relevant considerations. How much demand can be anticipated to vary
due to changes in these different factors is expressed in demand curves, and is described in
terms of demand elasticity. As a rule the relationship between demand and price for a good or
serve can be drawn as a declining demand curve: increased price leads to a fall in demand.\(^\text{12}\)

This general picture, however, must be adjusted a bit depending upon whether the goods and
services in question are private or public. For private goods and services the price is, at least
in theory, determined through a price mechanism in which all production and marketing costs
are transmitted to consumers. For public goods and services, on the other hand, the price is to
a significant degree determined through political processes. It is not the consumer alone who
pays for and hence covers all production and marketing costs; in most if not all instances part
of the costs for public goods and services are either directly or indirectly paid for by others.

It is among other things this feature of public goods and services, and the fact that the public
is not always familiar with the real costs of producing public goods and services, which gives
rise to that which in the economic literature is referred to as “fiscal illusion” – that is, that the
genuine costs (and hence utility) associated with consumption is erroneously understood.
Costs are typically underestimated, and as a consequence greater demand exists than would be
the case had correct information been present. Politicians, moreover, due to political
competition and pursuit of the voters’ good will, characteristically seek to comply with and
satisfy public demand by adjusting production of public goods and services accordingly rather
than at a level that would be “best” or optimal for society (read: a level where need and utility
stand in a realistic relationship to costs and income). The result can therefore be an
overproduction of public goods and services and extra public expenditures.\(^\text{13}\)

\(^\text{12}\) This relationship is considered to be a simple law – “The law of demand”. With this as a point of departure, a
provider must chose between producing and selling fewer goods or services at a higher price or more goods and
services at a lower price.

\(^\text{13}\) Sørensen (1992:280) provides a short explication of the logic involved. The underlying argument about an
erroneous understanding of costs and utility of public goods and service can, according to Dollery and
Worthington (1996:261), be traced back to McCulloch (1845) and Mill (1848). Both McCulloch and Mill were
concerned with the taxpayers’ and decision makers’ understanding of how alternative forms of taxation function,
but the general line of reasoning has subsequently been extended and applied to other financial implications
relating to public goods and services. See, for example, Buchanan (1960:59-64, 1967:126-143, and 1968) for an
overview over much of the relevant literature within the field. Among more recent analyses and central
Earlier findings and theoretical expectations

Research concerning different types and consequences of fiscal illusion is extensive, and the findings are by no means uniform. On the basis of a study of conditions in Norway around 1990 Sørensen (1992), for example, concluded that there was little support for the notion that the public underestimated the costs of public goods and services. His summary assessment was that “fiscal illusions are nothing but illusions” (1992:303). But Sørensen did recognize that there are many examples of policy decisions which make actual production costs invisible to the man on the street.

Winter and Mouritzen (2001), by comparison, based on a study conducted in Odense, Denmark in which residents were asked about their preferences both before and after information was provided regarding the real costs of providing different public goods and services, find support for the theory of fiscal illusion. Their results demonstrate that residents’ attitudes are inconsistent and characterized by a lack of realism. On the one hand residents want more public goods and services, while on the other hand they want reduced taxes. Information about the actual costs of providing the goods and services reduced the degree of inconsistency, but the inconsistency was not fully eliminated. The authors therefore conclude that “They [that is taxpayers] do in fact want something for nothing” (2001:131). This conclusion is in keeping with a number of other studies (cf. Beck et al. 1987; Benton & Daly 1992; Citrin 1979; Kristensen 1982; Mouritzen 1987).

The data used in this paper are not suited to a more in-depth analysis of the nuances taken up by Sørensen, Winter and Mouritzen, or many others who have investigated these issues previously. The basis for the following analyses is rather an investigation of expenditure and financing preferences among Norwegians with respect to a number of municipal goods and services. The analyses serve to indicate which persons want their own municipalities to use more or less money for specific activities, and in addition how people think increased expenses for these activities should be financed. Several expectations are quite obvious in this

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14 The lack of consistency was greatest among producers and users of public goods and services. Those who were not users were more consistent in their attitudes.

15 Many of these goods and services are mandated by national legislation and subject to some regulation with respect to levels of provision. Municipalities nonetheless do exercise a significant degree of discretion with respect to how the goods and services are to be provided, and to some degree also what, if any, user fees are to be levied.
regard. When a real need exists, it is reasonable to expect that individuals will prefer that public authorities provide more of the relevant goods and services. Just which goods and services that may be desired are likely to depend upon the individual’s life circumstances and relations with other close family members. Those with small children are likely to prefer more in terms of public child daycare and leisure time activities for young people, while older people and those experiencing medical problems are more likely to prefer better services regarding care for the elderly and public health services. The main point, however, is that in general people are likely to prefer more public goods and services, or at least just as much as previously, rather than less.

The same can be said about choices with respect to financing of increased expenditures. Given an opportunity to choose between different alternatives in situations where an element of rational cost-benefit thinking applies, it is reasonable to expect that people will prefer those alternatives that minimize personal costs and maximize utility – at least in situations where these are readily apparent. From such a perspective there is nothing better than a situation where others cover the costs, or at least part of them.

More or less money for different purposes
With these expectations in mind we can look a bit closer at results from national surveys conducted in Norway from the mid-1990’s up to thru 2011. Different surveys have found that in general residents are quite satisfied with municipal provision of goods and services as well as other municipal activities. As the distributions presented in Table 2 demonstrate, this satisfaction has been quite stable over a longer period. If there is any sign of change, it has been in a positive direction – that is, the residents are even more satisfied recently than they were earlier. At it is worth noting, furthermore, that users of various municipal services and facilities tend to be more satisfied than the population as a whole.

Table 2 in about here

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16 The grounds for this expectation is a type of simple ceteris paribus logic – that is, persons with the same ideological perspectives will in large measure have similar preferences for a larger public expenditure and a better, more comprehensive provision of public goods and services which increased expenditures presumably would imply.

17 Work by Rattsø and Sørensen (2009) provides some relevant empirical evidence in this regard.

18 An important theme in the fiscal illusion literature is the significance of how visible alternative financing arrangements are for consumers. A good many writers argue that the extent of fiscal illusion with respect to public goods and services can be reduced to the extent that financing mechanisms are highly visible – for example in the form of income taxation or user fees in contrast to more hidden taxes and fees.
When one delves a little more deeply into the material, there are of course differences in the level of satisfaction with various types of municipal services and activities. In general higher levels of satisfaction are registered with respect to social and cultural services than is the case for municipal provision of certain facilities and technical sector services, but even in these domains levels of satisfaction tend to be fairly high (see Baldersheim et al. 2011:36-9).

Of course satisfaction with public goods and services does not limit people from preferring even more and better municipal activity in various areas of endeavor. Results presented in Figure 6 give witness to this. When respondents are asked to indicate whether their municipality should use more, less or about the same amount of money as it currently does with respect to a variety of activities, a considerable proportion indicate that the municipality should use more – and in some instances much more. By comparison, there is an almost imperceptible segment of the respondents who signal that the municipality should use less money. Not more than five per cent prefer that their municipality should use less than it did at the time – a response that applied to child daycare, leisure time and cultural offerings, environmental protection and commercial development. For all other areas of municipal activity covered by the survey, the proportion preferring the use of less money was even lower. The predominant majority preferred instead that their municipality should use at least as much or even more than was the case at the time. This applied in particular to institutions and care for the elderly. Elementary schools and activities or facilities for children and young people followed closely in this regard.

In passing it is worth noting that the proportion indicating the municipality should use much more money for the activities in question was, with only one exception, greater in 2008 than it was 15 years earlier in 1993. The exception was with regard to commercial development where the proportion suggesting that their municipality should use much more money declined by almost 10 per cent (but even for this area of activity many residents were of the opinion that their municipality should use more money). For all other areas of municipal activity the segment of the population that thought their municipality should use much more was on the average 12 percentage points high in 2008 than it was in 1993. The findings, in short, point to great expectations with respect to increased municipal activity.
How are increased expenditures to be financed?

If municipalities are to use more money for various activities, it presumes that they will in one manner or another have access to necessary resources. In many countries one source of income available to municipalities, at least in theory, is increased income taxation. But in Norway the rates for taxation of income and wealth are in large measure set by national government. If increased municipal expenditures are to be financed by incomes taxes, therefore, either central government must increase the maximum tax rates for income and wealth, it must give municipalities greater discretion to set their own rates, or give municipalities the right to utilize other forms of taxation. Only the last alternative has been adopted so far. In 2007 all municipalities were given the right to impose property taxes within legislated constraints. In decisions that have engendered a good deal of debate, many municipalities, especially those with many cabins and other types of leisure time properties, have availed themselves of this opportunity. The debates, however, have not revolved around a total rejection of taxation as a means of public finance. The debates have rather focused on how taxation has been used and how it may have a very unequal impact on people. That Norwegians are in fact (more or less) willing to pay taxes is demonstrated by the results of studies carried out in 2008 and earlier (see, for example, Rattsø & Sørensen 2009:357).

To probe public opinion on this matter, respondents were asked to indicate their preferences with respect to four different means by which their municipality could obtain additional revenue to meet increased expenditures relating to different areas of activity. The alternatives were (1) increased municipal taxation, (2) larger user fees for users of municipal services, (3) increased transfers from central government, or (4) a reduced activity level. Figure 7 presents the response distributions relating to selected municipal activities.

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19 The central government sets a limited range with minimum and maximum for tax rates, and all municipalities have opted for the maximum rate.

20 The rates for property taxation were legislated to be between 0,002 and 0,007 per thousand kroner of assessed property value. There is no option for using different rates for properties used for permanent as opposed to leisure time activities, and municipalities are supposed to use the same assessment practices for properties of both types.

21 276 of 430 municipalities had availed themselves of this new financial opportunity already by 2008, and the number has increased since then.

22 The question wording is found in the methodological appendix to this paper. The question was posed in a written, self-administered postal questionnaire.
The most prominent feature about the results displayed in the figure is the fact that increased transfers from central government is the alternative that is preferred by a clear majority, and this applied regardless of the area of activity in question. In a country in which exploration and development of offshore oil deposits have contributed to the creation of one of the world’s largest public financial reserves, and where virtually all public debates have at least one participant who begins by saying “In the world’s richest country …”, this preference among the alternatives is not especially surprising. There is a widespread conception that the public sector should be able to afford almost anything, and one of the most difficult challenges confronted by national politicians is to abide by the so-called “budgetary rule”.23

At the same time, it is nevertheless relevant to note that a considerable proportion of the population supports the use of increase municipal taxes and greater user fees as appropriate means of financing increase expenditures. As much as 25 per cent mention municipal taxes in connection with municipal technical services, and between 15 and 20 per cent prefer the same with respect to leisure time and cultural offerings and measures for children and young people. It is in connection with these latter two areas of activity and child daycare that higher user fees also receive a good deal of support as a means for their municipality to cover increased expenditures. This is not totally unexpected. All three of these areas of activity are characterized by a larger element of voluntary use than is typical of the other areas of municipal activity. It can therefore be natural for some to be of the opinion that those who benefit from such services can just as well also cover some of the costs.

The least desired financial alternative is to reduce municipal service offerings. This option for meeting increased operating costs does not appear to be relevant for more than a maximum of 5 per cent of all residents. To the extent this alternative is preferred it is in relation to an area of municipal activity that is largely free of central government management – namely leisure time and cultural offerings. For the other areas of municipal activity those who prefer a reduction constitute only a miniscule segment.

23 The budgetary rule (Handlingsregelen in Norwegian) is a rule concerning the use of capital gains from the Government Pension Fund in which oil revenues are regularly invested. The rule was introduced in 2001 under the first cabinet of Jens Stoltenberg to ensure that the sovereign wealth fund, with a vast majority of its dealings related to activities in the petroleum industry, would secure sustainable development for the future generations of Norway. A broad majority in parliament was in agreement with this objective and the rule was adopted accordingly. The rule states that a maximum of 4 per cent of the fund’s value should be allocated to the yearly government budget. The rule was partially intended to avoid a state of “Dutch disease”. If the rule is honored and the rate of return on investments in the Government Pension Fund is as expected, then the value of the fund should be maintained in perpetuity.
The demanding citizen – who is (s)he?

Given the results presented so far it is possible to suggest a variety of images of the demanding citizen. One would be of a person who wants more of a limited selection of public goods and services, and who is willing to pay more taxes or user fees in order to meet increased expenditures these would imply. But there can also be others who would like to have more of a broad selection of municipal goods and services, and would like increased expenditures to be covered by additional transfers from central government. There are, in other words, any number of combinations of what people may expect in terms of public service provision and how the costs are to be covered – that is, how demanding people may be. The ultimate “rock hard” demanding citizen is presumably one who would prefer more (of everything), and would like the central government to pay the bill by increasing inter-governmental transfers. Such persons would ostensibly sit down at the municipal table and say, just as Winnie the Pooh, “Yes thanks, both please” without thinking about the consequences involved.

In order to investigate this situation in a little greater detail, two indices have been created, both based on a simple summation of the activity areas found in figures 6 and 7 respectively. One index reflects how many times a person has indicated that their municipality should use more money for the activities in question, while the other index reflects how many times a person has indicated that increased municipal expenditures for these activities should be financed by increased transfers from central government. Table 3 presents the results from two regression analyses where these indices are the dependent variable and selected socio-demographic characteristics of the respondents are the independent variables.

Table 3 in about here

That which is immediately apparent from the results displayed is a combination of similarities and differences with respect to what characterizes those who desire greater municipal activity on the one hand and those who prefer increased central government transfers on the other. A common characteristic for those scoring high on both indices are people who indicate that they or members of their household have needs which are not currently being met. This is neither surprising nor unreasonable. If there are genuine needs, people may justly look for greater public action and – given current conditions in Norway – think that increased transfers from the central government are an appropriate means of covering the costs.
Another common feature is that of education. For both indices individuals with lower education (only elementary school) are those who have the highest scores, whereas those with higher education (university or college level) score lower. It seems plausible to suggest that this result reflects an element of insight and “realism” with respect to public sector activity which education may provide. Those with higher education are presumably more receptive to information about public finance, are better able to understand the consequences of different alternatives, and more readily see the interrelationships involved. Such a presumption is at least consistent with the results reported by Winter and Mouritzen (2001:130-131) who found that persons with higher education had more consistent attitudes with respect to expenditures and financing alternatives than did those with less education.

Furthermore, even if the coefficient is not statistically significant in the case of the index for increased central government transfers, users of municipal services score higher on both indices. This tendency is something that can be related to the reason many people use municipal facilities and services – namely that there is a genuine need for these. A positive score on both dimensions can therefore arise from a similar set of circumstances.24

With respect to the other socio-demographic characteristics considered in Table 3, however, differences are more prominent than similarities. Gender, for example, is significant in terms of preferences for the municipality to use more money on different activities, but not for increased central government transfers as a means of financing this. Women, to a much greater degree than men, would like to have their municipalities allocate more money to specific purposes, but men and women do not differ in their attitudes about central government transfers as a means of covering increased municipal expenditures.

Differences can also be observed regarding the significance of age, civil status and household income. Preferences for increased expenditures decline with age, whereas preferences for increased central government transfers are strongest in the 46 to 60 year old age category. This last finding is a bit paradoxical. Individuals in this age group have typically arrived at a phase in life where most are comfortably established and should therefore be able to “tolerate” financial alternatives that place a larger burden directly on their shoulders. But not

24 The correlation between use of municipal facilities and services on the one hand and unfulfilled needs on the other, however, is no more than 0,09, so they by no means one tap one and the same underlying phenomenon.
in this case: they prefer to have central government pay the bill. Individuals in the oldest age category, by comparison, exhibit no marked preferences for increased expenditures (at least not of a consistent character), and neither do they think that the bill for increased municipal activity should be passed along to central government. The elderly, in short, can be characterized as the sober-minded, realistic generation; they have experienced hard times and seem to be more reserved when it comes to having great expectations or expressing demands for public goods and services.

Lastly, it is quite noteworthy that the sector of an individual’s occupation does not have any significant impact on attitudes about either increased municipal expenditures or how such expenditures are to be financed. As a starting point one might anticipate that a person who is or has been employed by a municipality would be inclined to prefer increased municipal expenditures – if not in all areas of municipal activity, at least in enough areas to distinguish themselves from those who were employed by central government or in the private sector. In results from the study reported by Winter and Mouritzen (2001) those employed in the public sector, along with those who were women and users of municipal services, were those who preferred increased municipal expenditures and were, according to the authors, largely blind to the financial consequences of such preferences. But this does not hold in the present case. Municipal sector employees were neither more inclined to prefer increased municipal expenditures nor increased central government transfer than were persons employed in other sectors or who were not actively employed.

**Some concluding remarks**

Based on the results presented in this paper one can detect some tensions which have potential implications for the future development of local democracy (in Norway). On the one hand residents indicate an interest in local government and politics, and profess a level of personal local political competence, which by in large is comparable to that found with respect to national politics. Residents are in addition generally satisfied with the way in which local democracy functions in their own municipality, and they consider local self-government to be an important component of democratic government for the country as a whole. On the other hand residents want their municipality to increase expenditures for a variety of municipal activities and the resources to cover such increased expenditures are to be derived not from local sources but rather from central government transfers.
The realism of such preferences can of course be discussed. To a certain degree it would seem that these attitudes reflect wishful thinking – wishful thinking which politicians, in their competition for support among voters, may encourage. If residents’ preferences are fulfilled on both counts, it may be expected that central authorities will set conditions and guidelines for how additional municipal funding is to be used. When new reforms are initiated and adopted in Norway, they are often accompanied by earmarked funds, at least in the initial phases of implementation, and regulations regarding service standards are passed which apply to all local authorities. Arguably, if this occurs, residents, through their preferences for improved municipal service provision and attitudes about means of financing the associated costs, may (indirectly) contribute to an undermining of local self-government and a weakening of the meaning of local democracy. If such a case we are faced by a paradox of substantial dimensions: democratically expressed preferences of residents lead to a shrinking and choking off of the content and meaning of local democracy.

It is important to underline here that it is in the interface of local and national leadership that the demanding citizen manifests her/himself with expectations of “more of everything” while the bill is sent to central government. It is the nature of municipal finance and the behavior of political leaders which would appear to constitute the principal forces shaping residents’ (mis)understandings of what is politically possible. In light of this it can be suggested that a central task for future research is to investigate under what conditions different citizen attitudes and orientations to the public sector take root and thrive – for example attitudes that reflect what might be called “the disciplined citizen” and “the cultivated citizen” respectively. The disciplined citizen is perhaps closer to the classical citizen orientation in which the taxpayer role is more prominent, and where individuals recognize that preferences or expectations for better public goods and services must be balanced against the need for local (co)financing. The cultivated citizen, by contrast, is one who is able to moderate his or her own preferences and expectations based on information regarding the local community’s collective needs and available resources. But such citizen orientations do not emerge spontaneously or on their own. Research and experiments (see among others Offerdal & Aars 1998; Aars 2000) indicate that such orientations may be cultivated, but it requires the creation and maintenance of a deliberative democratic framework and leadership that puts a priority on a citizen oriented local democracy to be achieved.
References


Methodological appendix – Operationalization of selected variables

Residents’ emphasis on different considerations in their relations to the municipality

Three set of questions were asked in a written self-administered postal questionnaire. One set of questions is presented in a note to Table 1. The other two sets were as follows:

19. From your point of view, how important are the following three considerations for you personally? Indicate your opinion on a scale from 1 (of little importance) to 5 (very important).

<table>
<thead>
<tr>
<th></th>
<th>Of little importance</th>
<th>Very important</th>
<th>Don’t know</th>
</tr>
</thead>
<tbody>
<tr>
<td>A.</td>
<td>That your municipality holds user charges, taxes and fees at the lowest possible level........</td>
<td>□ □ □ □ □</td>
<td>□</td>
</tr>
<tr>
<td>B.</td>
<td>That your municipality is sensitive to a majority opinion among residents ..................</td>
<td>□ □ □ □ □</td>
<td>□</td>
</tr>
<tr>
<td>C.</td>
<td>That your municipality offers good public services .............................................</td>
<td>□ □ □ □ □</td>
<td>□</td>
</tr>
</tbody>
</table>

20. If you had to choose, which of these three (A, B or C above) would you say is most important?

26. When you think of your relations to the municipality where you reside, how important are the following three considerations for you personally?

<table>
<thead>
<tr>
<th></th>
<th>Of little importance</th>
<th>Very important</th>
<th>Don’t know</th>
</tr>
</thead>
<tbody>
<tr>
<td>A.</td>
<td>To be able to influence decisions which are important for you ..................................</td>
<td>□ □ □ □ □</td>
<td>□</td>
</tr>
<tr>
<td>B.</td>
<td>That there are public services which are suited to the needs in your household............</td>
<td>□ □ □ □ □</td>
<td>□</td>
</tr>
<tr>
<td>C.</td>
<td>How much you have to pay in taxes, fees and user charges .......................................</td>
<td>□ □ □ □ □</td>
<td>□</td>
</tr>
</tbody>
</table>

27. If you had to choose, which of these three (A, B or C above) would you say is most important?
Use of more or less money – index

The basis for the index consisted of responses to questions asked in a telephone survey which were formulated as follows: “Now we want to ask some questions about your municipality’s use of money for different activities.”

11a. Let us begin with child daycare. Should your municipality use more money, less money, or about the same amount as today on child daycare?

   IF MORE: Much more or somewhat more money? (IF NECESSARY: Should your municipality use much more or somewhat more money than at present on child daycare?)

   IF LESS: Much less or somewhat less money? (IF NECESSARY: Should your municipality use much less or somewhat less money than at present on child daycare?)

11b. What about promotion of local business and commerce? Should your municipality use more money, less money, or about the same amount as today on the promotion of local business and commerce?

   IF MORE: Much more or somewhat more money? (IF NECESSARY: Should your ..... SEE FOLLOW-UP QUESTION ABOVE)

   IF LESS: Much less or somewhat less money? (IF NECESSARY: Should your .....)

What about money for ...... (INSERT THE FOLLOWING ACTIVITIES AND REPEAT THE APPROPRIATE QUESTIONS FROM ABOVE AS NECESSARY)

11c. Homes for the elderly and nursing homes
11d. Environmental protection
11e. Leisure time opportunities for children and young people (IF THE IO ASKS: FOR EXAMPLE RECREATIONAL CENTERS, YOUTH CLUBS, ETC.)
11f. Other leisure time and cultural services (IF THE IO ASKS: FOR EXAMPLE LIBRARIES, ATHLETIC FACILITIES, ETC.)
11g. Household help and home nursing care
11h. Primary and lower secondary schools
11i. Municipal information to the residents
11j. Economic social assistance (IF THE IO ASKS: THIS IS CASH ASSISTANCE)
11k. Municipal health and physician services
11l. Technical service (IF THE IO ASKS: FOR EXAMPLE STREETS, WATER, GARBAGE COLLECTION, STREET LIGHTING, ETC.)

The variable is an additive index based on the number of times the respondent answered “more money” or “much more money” regarding activities found in items 11a to 11h, 11k and 11l. Respondents that had no opinion to two or more of these activities were coded as “missing” on the index.
Preferences for increased inter-governmental transfers – index

The question was asked in a written self-administered postal questionnaire and was formulated as follows

33. Expenses for different municipal services tend to increase each year, and a question generally arises about how increased expenditures should be financed. Which of the alternatives below would you prefer to cover possible increased related to each of the following services? *Place just one checkmark for each service area.*

<table>
<thead>
<tr>
<th>Alternative solutions</th>
<th>Increased municipal taxation</th>
<th>Increased consumer user fees</th>
<th>Increased central government transfers</th>
<th>Reduction in other services</th>
<th>Don’t know</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. Child daycare ........................................</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>b. Primary and lower secondary schools ........................</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>c. Measures for children and young people .......................</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>d. Care for the elderly ........................................</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>e. Health and medical services.................................</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>f. Leisure time and cultural services ...........................</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>g. Technical services (e.g. roads, water and waste collection)</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
</tr>
</tbody>
</table>

The variable is an additive index based on the number of times the respondent indicated “increased central government transfers”. Don’t know responses were considered as something other than increased state transfers.

Use of selected municipal services

The variable is an additive index based on the number of 16 different municipal services the respondent or other members of the respondent’s household had used over the preceding two years.

Need for municipal services

The variable is a dichotomy based on a set of questions about whether the respondent or other members of the respondent’s household had needs for selected municipal services that were not currently being fulfilled.
Figure 1. Political interest in 16 countries. Average values in 2006. (0 = Not at all interested, 4 = Very interested).

Source: ISSP 2006
Figure 2. Political interest in Norway by type of interest, 2011. (Minimum \( N = 1760 \)).
Source: Norwegian local election study, 2011
Figure 3. “Local politics in this municipality are sometimes so complicated...”
Source: Norwegian local election studies, 2003-2011
Figure 4. How well informed do Norwegian voters profess to be, 2011. (Minimum N = 999).
Source: Norwegian local election study, 2011

Table 1. The importance residents place on different aspects of their relations to the municipality where they live, 2008 *

<table>
<thead>
<tr>
<th>Aspect of note</th>
<th>Per cent “very important”</th>
<th>Per cent “most important”</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. What services the municipality offers its residents</td>
<td>55</td>
<td>46</td>
</tr>
<tr>
<td>B. How the municipality uses residents’ tax money</td>
<td>63</td>
<td>36</td>
</tr>
<tr>
<td>C. What possibilities residents have to influence municipal decisions</td>
<td>51</td>
<td>19</td>
</tr>
</tbody>
</table>

* This is one of three sets of questions presented in a written, self-administered postal questionnaire. The introductory question was formulated as follows: “How important is it for you personally that your municipality informs residents of the following three considerations: (A to C below)? Indicate your opinion on a scale from 1 (“Not very important”) to 5 (“Very important”).” The follow up question was then as follows: “If you had to choose, which of these three aspects (A, B, or C) would you say is most important [for you]?”

Source: Survey of People’s Relations to Local Government, 2008.
Figure 5. Salience of alternative citizen role orientations. Distribution of response combinations reflecting what is most important for residents in their relations to local government, 1996 and 2008.


Table 2. Satisfaction with municipal services and facilities, 1995-2011 *

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Very satisfied</td>
<td>7.7</td>
<td>9.3</td>
<td>9.0</td>
<td>12.4</td>
<td>16.9</td>
</tr>
<tr>
<td>Quiet satisfied</td>
<td>77.2</td>
<td>68.6</td>
<td>69.4</td>
<td>68.8</td>
<td>66.4</td>
</tr>
<tr>
<td>A little satisfied</td>
<td>14.1</td>
<td>18.6</td>
<td>18.9</td>
<td>15.9</td>
<td>14.5</td>
</tr>
<tr>
<td>Not satisfied</td>
<td>1.0</td>
<td>3.5</td>
<td>2.6</td>
<td>2.9</td>
<td>2.1</td>
</tr>
<tr>
<td>Sum</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
</tr>
<tr>
<td>N</td>
<td>(3750)</td>
<td>(3800)</td>
<td>(2695)</td>
<td>(2584)</td>
<td>(1749)</td>
</tr>
</tbody>
</table>

* Question formulation: “In general, to what degree are you satisfied with the services offered by your municipality? Are you very satisfied, quite satisfied, a little satisfied, or not satisfied at all?”

Figure 6. Should the municipality where one lives spend more money, less money or about the same amount as at present for selected purposes, 2008. Per cent.

Source: Survey of People’s Relations to Local Government, 2008.
Figure 7. Preferences for how increased expenditures for selected municipal services should be financed, 2008. Per cent.

Source: Survey of People’s Relations to Local Government, 2008.
Table 3. Regression analysis of attitudes regarding municipal expenditures and preferences for increased inter-governmental transfers as a financial alternative, 2008. Standardized regression coefficients.*

<table>
<thead>
<tr>
<th>Individual characteristics</th>
<th>Attitudinal indices</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Use more money</td>
</tr>
<tr>
<td>Gender (woman)</td>
<td>.15***</td>
</tr>
<tr>
<td>Age (reference group is persons 18 to 30 years)</td>
<td></td>
</tr>
<tr>
<td>• 31–45 years</td>
<td>.03</td>
</tr>
<tr>
<td>• 46–60 years</td>
<td>-.05</td>
</tr>
<tr>
<td>• 61–80 years</td>
<td>-.12***</td>
</tr>
<tr>
<td>Civil status (married/cohabiting)</td>
<td>.07*</td>
</tr>
<tr>
<td>Education (reference group is secondary school)</td>
<td></td>
</tr>
<tr>
<td>• Elementary school</td>
<td>.13***</td>
</tr>
<tr>
<td>• University/College</td>
<td>-.06*</td>
</tr>
<tr>
<td>Household income (reference group is the middle 33%)</td>
<td></td>
</tr>
<tr>
<td>• Lowest 33%</td>
<td>.08*</td>
</tr>
<tr>
<td>• Highest 33%</td>
<td>-.01</td>
</tr>
<tr>
<td>Sector (municipal employee)</td>
<td>.05</td>
</tr>
<tr>
<td>Household use of municipal services (number)</td>
<td>.09**</td>
</tr>
<tr>
<td>Unfulfilled needs for municipal services (yes)</td>
<td>.10***</td>
</tr>
<tr>
<td>Adj. $R^2$</td>
<td>.11</td>
</tr>
<tr>
<td>N</td>
<td>1 459</td>
</tr>
</tbody>
</table>

* For information on index construction, see the methodological appendix. Statistical significance: * = .05   ** = .01   *** = .001